Testimony of Jennifer Brooks, Director of Self-Sufficiency Programs & Policy

Wider Opportunities for Women

815 15th Street, NW, Suite 916, Washington, DC 20005

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Committee on Education and the Workforce

U.S. House of Representatives

"Welfare Reform: Success in Moving Toward Work"

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Mr. Chairman and Members of the Subcommittee:

Thank you very much for inviting me to testify today. I am honored to be here.

Wider Opportunities for Women (WOW) is a non-profit organization that works at the local, state and national levels to help women and girls achieve economic independence and equality of opportunity. For more than 37 years, WOW has focused on literacy, technical and nontraditional skills, the welfare-to-work transition and career development.

My testimony will focus on what we know about the incomes of individuals making the transition from welfare to work; what families need to meet their basic needs; and the importance of skill-building opportunities for these individuals so that they may start down the path of economic independence.

I will start with what we know about people leaving welfare:

- **There has been an unprecedented decrease in the number of families currently on welfare**.
- **Most welfare leavers have entered employment** (about three in five[1]).
- **Average wages have been low** (about $7 to $8/hour[2]). Based on an average work week of 30-35 hours, these hourly wages yield earnings of roughly $900-$1,200 per month, which is approximately 75-100% of the poverty line for a family of three.
- **Most have not worked steadily**—resulting in average annual earnings that are considerably less than the hourly or monthly numbers suggested above.[3]
- **Many welfare leavers face significant material hardships**. Thirty-six percent of families have gone without meals, 2.5 million individuals have gone to food pantries, and one in 10 families have lost their housing and become homeless due to the loss of Temporary Assistance for Needy Families (TANF) benefits.[4]
- **A substantial percentage of welfare leavers have returned to welfare within the first year**, ranging from 18 percent in San Mateo County, CA to 35 percent in Cuyahoga County, OH.[5]

What we do not know about welfare leavers:

- **How families are faring off when work-related expenses** (e.g., child care and taxes) **are added and other work supports** (e.g., Food Stamps, SCHIP) **are included in the calculation.** The poverty measure does not distinguish between families with adults in the workforce, and those with no working adults, nor does it account for receipt of non-cash and near-cash benefits.

None of the U.S. Department of Health and Human Services' (HHS) welfare "leaver" studies (when income is reported) takes into account *increased expenses* associated with working. Thus, when wages are compared to either cash assistance and food stamps, or to the poverty measure, the comparison does not take into account the added expenses of child care, transportation, and taxes.

- **The relationship between the hourly wage of welfare leavers and their actual costs of living, based on family size and location.** The poverty measure does not take into account the differences between places in costs, nor does it take into account the differences in costs by *age* of children (especially child care). Based on the federal poverty standard, in 2001, a family of three was considered "poor" if it earned $14,630[6]—no matter whether they lived in New York City or rural South Dakota or whether they had two preschoolers needing full-time care or two teenagers.

  In the HHS "leaver" studies, if any comparison at all is made to assess income adequacy, wages are usually compared to the federal poverty measure, often the threshold for a family of three.

To answer these questions WOW, in cooperation with Dr. Diana Pearce at the University of Washington, has developed the Self-Sufficiency Standard, a measurement of the income that a family requires to meet its most basic needs—food, clothing, shelter, health care, transportation, child care, taxes—without any frills, and varies by a family's make-up and where they live. (See Appendix.)

The Self-Sufficiency Standard tells us that the cost of living for families in many parts of the county is quite high, especially for parents of young children who need full-time child care. For example, in Los Angeles County, a single parent with a preschool- and school-age child needs an annual income of $40,870 to meet her basic needs without any public or private support; that same family in Rapid City, South Dakota needs $26,820, substantially less income, but still well above the federal poverty level—which is the same no matter where you live. The Self-Sufficiency Standard also tells us how work supports can lower the amount families need to earn in the short-term, while they gain experience and skills to move to higher-paying jobs.

What we know about costs of living for different places and families:

- **Costs vary dramatically based on where a family lives and the age of children**. For example, based on the Self-Sufficiency Standard …

Place	*Family Members*	*Monthly Income Needs*	*Annual Income Needs*
Washington, D.C.	parent, **preschool** & **school-age** child	$3,993	$47,916
	parent, **school-age** child & **teenager**	$3,010	$36,120
Rapid City, South Dakota	parent, **preschool** & **school-age** child	$2,235	$26,820
	parent, **school-age** child & **teenager**	$1,774	$21,288
Orange County, Indiana	parent, **preschool** & **school-age** child	$1,676	$20,112
	parent, **school-age** child & **teenager**	$1,544	$18,528

What we know about the impact of work supports on the amount a family needs to earn:

- **With access to work supports that lower costs, families can meet their basic needs with lower incomes in the short-term, while they gain experience and skills to move to higher-paying jobs.**

  For example, using the Self-Sufficiency Standard we can model the impact …

Place	*Family Members*	*Hourly Wage Needs w/* ***No Subsidies***	*Hourly Wage Needs w/* ***Child Care****,* ***Food Stamps & Health Care*** *(Medicaid or SCHIP)*
Washington, D.C.	parent, **infant** & **preschooler**	$20.16	$7.97*
Sioux Falls, South Dakota	parent, **infant** & **preschooler**	$14.95	$7.06**
Indianapolis, Indiana	parent, **infant** & **preschooler**	$15.04	$5.65*

* Medicaid
**State Children's Health Insurance Program (SCHIP)

Even with the assistance of work supports, given these income requirements, it is clear that if we are to meet the goal in the welfare reform law of moving families to self-sufficiency, education and training opportunities must be made more available—both after welfare recipients have taken a first job and in preparation for that job.

We have clear evidence that education and training work:

- **Education and training increase the likelihood that single mothers will be in the labor force:** Compared to those without a high school diploma or equivalent, single female heads of household with a high school diploma were almost 60 percent more likely to be in the labor force. With a vocational Associate's degree, they were 95 percent more likely.[7]

- **Education and training increase the likelihood that families will be out of poverty:** Compared to those without a high school diploma or equivalent, those with a degree were 25.8 percent less likely to be below the poverty level. Earning a vocational Associate's degree reduces the likelihood by more than half. Earning a Bachelor's degree reduces the likelihood of being poor by 80 percent.[8]

- **Education and training increase wages and job retention:** 80-90 percent of parents who complete college degrees get jobs upon graduation and earn enough to exit the welfare rolls, with average wages of $25,000 to $30,000 per year. A year later, 80-90 percent are still employed. By contrast, only 40-50 percent of parents who complete "work-first" programs get jobs, and earn wages of just $6.50 per hour. A year later, 40-50 percent are unemployed and back on welfare again.[9]

We know what kind of education and training programs are most successful:

The most effective welfare-to-work programs have a flexible, balanced approach that offers a mix of job search, education, job training, and work activities.[10] These "mixed strategy" programs offer more-individualized services, have a central focus on employment, have close ties to local employers, set high expectations for participation, and make job quality a central goal.[11]

- **Functional Context Education:** Wider Opportunities for Women has advocated for training programs to utilize instructional strategies that integrate literacy skills and job content. This approach—called Functional Context Education (FCE)—works well for many low-skilled individuals who have experienced educational failures in the past. It provides skill development opportunities in the context that the learner will use them—in the context of a job. Strong employer input and participation is key. Programs using FCE are able to accomplish in months what traditional programs take years to achieve because programs teach literacy and basic skills in the context in which the learner will use them, rather than in isolated segments. This shorter timeframe is especially critical considering the time constraints under TANF and the personal time constraints of single parents.[12]

- **Targeting Higher-Wage Jobs**: In every labor market, jobs exist that are in high demand by employers and pay decent wages. Starting out in better jobs (in terms of higher hourly wages or benefits) or in certain occupations (production, manufacturing, cleaning maintenance, etc. as opposed to sales) is linked both to job retention and to earning higher wages later.[13] Many of these jobs do not require substantial post-secondary training or education. However, identifying such jobs requires that an analysis be done to determine which industries, in a given labor market: (1) pay self-sufficiency wages, (2) are experiencing shortages (unmet demand), (3) the barriers that exist between these jobs and jobseekers (such as transportation/location, skill sets, language, etc.), and (4) the infrastructure (such as training programs or transportation) that is required to bring jobs and jobseekers together.[14] States should be required to identify higher-wage industrial sectors that need workers for welfare-to-work placements.

- **Increasing Access to Nontraditional Occupations:** According to the U.S. Department of Labor, nontraditional occupations (NTOs) are jobs in which 25 percent or less of the workforce is female. Nontraditional occupations for women pay 20-30 percent more than jobs traditionally held by women and offer excellent benefits and career advancement potential.

For many women, nontraditional jobs (such as construction, copy machine repair, X-ray technician, or computer-aided drafting) require relatively little post-secondary training, yet provide wages at Self-Sufficiency levels. To enhance the access of women to these jobs—or training leading to these jobs—requires addressing a range of barriers that prevent women from entering and remaining in nontraditional occupations. Ensuring that women learn about different career options, including wage and benefit scales by way of career counseling, may be sufficient for women to gain greater access to some of these jobs, while other nontraditional jobs may require access to training or pre-apprenticeship preparation classes. Retention in nontraditional occupations may require supports such as nontraditional-hour child care or support for buying tools and special equipment.[15]

Education and training are severely limited under TANF:

Unlike its predecessor program, the Job Opportunities and Basic Skills program, the Temporary Assistance for Needy Families program severely limits access to education and training. For example, vocational education is permitted for only one year, and only for 30 percent of the caseload; higher education is not permitted at all. Indeed, according to the U.S. Department of Health and Human Services, between 1996 and 1997, the percentage of families on welfare participating in education and training fell sharply.[16] Local reports also indicate steep declines in the percentage of TANF recipients enrolled in post-secondary education.[17]

Welfare recipients face other barriers to full participation in the workforce:

Recent national and state-based research suggest that over half of the women receiving welfare have experienced physical abuse by an intimate male partner at some point during their life (as compared to the general population where the incidence averages 22 percent.)[18] Between 20 and 38 percent of women report physical abuse during the period in which they receive public assistance.

Victims of domestic violence require many of the same kinds of supports and access to job training programs as all other recipients. At the same time, women who have experienced difficulties with welfare program compliance also report higher rates of domestic violence.[19] Thus, additional TANF policies should be put in place to increase these recipients' ability to successfully transition from welfare to work:

- The Family Violence Option—which helps states craft special programs for victims of domestic and sexual violence—should be implemented in every state, with incentives for states to ensure successful implementation of these programs;
- TANF programs should establish cooperative agreements with agencies that provide safety and support for victims of domestic violence;
- TANF caseworkers should be trained about the nature of domestic violence, the safety needs of these clients and their families, and the availability of community resources;
- Clients should be directed to jobs and job-training programs that have developed employer practices to address the safety concerns of employees who may be victims of domestic violence; and
- States should be given incentives to fund the establishment of job training programs in conjunction with community-based domestic violence programs including shelters, transitional housing projects and counseling programs.

Welfare Policy Imperatives for the 21st Century:

Congress now has under consideration various proposals to stimulate the economy. Of particular concern to many Members is the plight of workers displaced by the September terrorist attack on the United States. Many of these workers are low-wage earners and, in some instances, are just a step away from needing the assistance of the TANF program. WOW encourages Congress to establish policies both within the economic stimulus package and in the reauthorization of TANF that not only meet these families' immediate needs, but create paths to sustained self-sufficiency. A proactive and strategic investment in each of these families now will reduce the cost to them individually and to the country as a whole in the future. The country now begins a process of recovery and rebuilding that will extend far beyond the reauthorization of Personal Responsibility and Work Opportunity Reconciliation Act. Welfare policies should be developed that will give recipients access to jobs and training for jobs that will offer high wages and benefits, as well as the supports necessary to fully participate in the workforce and job training programs.

We agree with Health and Human Services Secretary Tommy Thompson who wrote in an op-ed in the Boston Globe: "Welfare reform is not about slashing caseloads or saving money. It takes a strong investment to ensure that families can successfully move from welfare to work. If families can't afford child care, they can't afford to work. If they don't have a way to get to work, they simply can't work. If they have no training or education, few jobs will be open to them."

As you consider both economic stimulus packages and the reauthorization of the welfare law, WOW encourages you to invest in families. Give states the tools and incentives to help families not to just move off of welfare, but toward self-sufficiency. We encourage you to support programs that increase access to better jobs by rewarding states that:

- meet locally-based self-sufficiency goals for welfare leavers;
- identify higher-wage jobs that meet employer, worker and community needs and support the entrance of welfare leavers into those jobs, including nontraditional occupations for women;
- encourage post-secondary education participation, including vocational training, pre-apprenticeship and apprenticeship programs—provide supports, such as child care, and count such education as fulfilling work requirements;
- provide literacy programs that strengthen basic skills in the context of employment;
- increase the number of families that receive work supports—both cash assistance and subsidies, such as child care, food stamps, health care coverage, and transportation assistance;
- are responsive to barriers, such as domestic violence, that impede success in obtaining and retaining employment—policies and programs that help welfare recipients who are victims of domestic violence can include caseworker training, safety planning with victims and referrals to employers who have established specific workplace policies; and
- "stop the clock" for families receiving TANF who are engaged in work but whose earnings are so low that they remain eligible for partial TANF grants (see, for example, Illinois policy).

Appendix—The Self-Sufficiency Standard

The Self-Sufficiency Standard has been calculated for 15 states and the Washington, DC metropolitan area. The states for which the Standard has been calculated includes: California, Colorado, Connecticut, Illinois, Indiana, Iowa, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, South Dakota, Texas, Wisconsin, and Washington State. It is under development in in Montana, Kentucky, Utah, Georgia, Arizona, Oklahoma, Nevada, West Virginia and Florida. Table 1 compares the Self-Sufficiency Standard hourly wages for several different family types for a large city and a rural county in each of 15 states and one metropolitan area. Although in every instance, the cost of living is less in the rural county selected than in the large city (usually the state's largest city), there is quite a bit of variation. Many of these states have "rural" counties, often either tourist areas (with high seasonal housing costs) or high-cost ex-urban communities, that are in fact as expensive, or more so, than the state's large urban areas. Thus, in Massachusetts, the Standard is higher in Cape Cod and the Islands than in Boston.

Table 1 also shows how costs vary for different family types. It shows the Standard as an hourly wage and assumes that the adult(s) work full-time (40 hours per week). The amounts are thus what adults, supporting themselves or a family, must earn to meet the family's basic needs. Not surprisingly, it costs quite a bit more when a single adult becomes a single parent with a child, especially a very young child. The differential is such that the single parent's Self-Sufficiency Standard is at least 150 percent of that of a single adult in her geographical area and as much as 200 percent or, in a few instances, more. The addition of a second child under school-age results in costs that are double to triple that of the single adult in the same community. Not just the number of children but the age of the children matters, too. The Self-

Sufficiency Standard costs drop as the need for full-time child care lessens with older children. The last column shows the Standard for two parents with a preschool-age child and a school-age child. Reflecting the additional costs of food, health care, taxes, and transportation associated with a second adult, these numbers are only slightly higher than those for the single parent with two children of these ages. However, since there are two adults, this total reflects two wages, not just one, thus reducing the required wage of each and making it much easier to meet a family's needs with two breadwinners rather than just one. (The Self-Sufficiency Standard assumes that when there are two adults, both work equally, and both work full-time, and thus each incurs the costs associated with employment, such as taxes and transportation, and that they share such costs as child care, rent, food, and so forth).

In table 2, for six different places we compare the Self-Sufficiency Standard for a single parent with a preschool-age and a school-age child to other benchmarks of income: (1) welfare and food stamps; (2) minimum wage (minus taxes); (3) the federal poverty line; (4) local median family income.

As can be seen in table 2, the cash value of food stamps and cash assistance varies in amount from state to state, but even more as a percentage of the relevant Self-Sufficiency Standard. While actual benefits are higher in higher-income or higher-cost locales such as New Jersey or Washington, D.C., these benefits are low relative to the actual cost of living when compared to states such as Indiana. In Indiana a three-person household's cash benefits, though $1,500 per year less than in the District of Columbia, are more than one-third of the Self-Sufficiency Standard, while in Washington, D.C., the cash assistance is barely one-fifth of the Standard.

Table 1: The Self-Sufficiency Standard Hourly Wages, Selected Family Types, Selected Jurisdictions in 16 States and Metropolitan Areas

	One Adult	*One Adult, Preschooler*	*One Adult, Preschooler, Schoolage*	*Two Adults, Preschooler, Schoolage*
California, 2000				
Los Angeles-Long Beach PMSA	*$8.54*	*$16.65*	*$19.35*	*$11.35 per adult*
Alpine County	*$7.02*	*$11.38*	*$14.45*	*$8.72 per adult*
Colorado, 2001				
Denver County	*$7.99*	*$14.76*	*$18.90*	*$10.72 per adult*
Yuma County	*$6.56*	*$9.55*	*$11.26*	*$7.23 per adult*
Connecticut, 1998				
Stamford-Norwalk Region	*$9.75*	*$17.70*	*$20.93*	*$11.57 per adult*
Northeast Region	*$6.59*	*$12.18*	*$15.57*	*$8.96 per adult*
Illinois, 1996				
Chicago, Cook County	*$7.15*	*$12.19*	*$14.48*	*$8.24 per adult*
Randolph County	*$4.62*	*$7.49*	*$9.80*	*$6.41 per adult*
Indiana, 1998				
Indianapolis, Marion County	*$6.45*	*$11.01*	*$14.21*	*$8.28 per adult*
Orange County	*$5.30*	*$7.28*	*$9.52*	*$6.55 per adult*
Iowa, 1994				
Davenport-Moline-Rock Island – Scott County	*$5.10*	*$9.08*	*$12.81*	*$8.06 per adult*
Marion County	*$4.91*	*$8.53*	*$11.30*	*$7.24 per adult*
Massachusetts, 1997				
Boston, MA-NH PMSA, Suffolk Cty., City of Boston	*$7.52*	*$15.28*	*$18.54*	*$10.08 per adult*
Berkshire County – Western Massachusetts	*$6.16*	*$11.68*	*$13.98*	*$8.08 per adult*
New Jersey, 1999				
Northern Bergen County	*$8.03*	*$15.56*	*$18.03*	*$9.87 per adult*
Atlantic County (Cape May)	*$7.28*	*$13.91*	*$16.28*	*$9.40 per adult*
New York, 2000				
Kings County (Brooklyn)	*$8.65*	*$16.79*	*$21.11*	*$11.67 per adult*
Clinton County (Plattsburgh)	*$6.27*	*$11.01*	*$13.72*	*$8.38 per adult*
North Carolina, 1996				
Raleigh-Durham-Chapel Hill MSA	*$6.71*	*$11.01*	*$13.51*	*$7.78 per adult*
Warren County	*$5.05*	*$7.55*	*$9.32*	*$5.96 per adult*
Pennsylvania, 2001				
Philadelphia, PA-NJ PMSA, Philadelphia County	*$8.32*	*$15.13*	*$17.93*	*$10.13 per adult*
Warren County	*$6.66*	*$10.55*	*$13.05*	*$8.44 per adult*
South Dakota, 2000				
Rapid City/Pennington County	*$6.06*	*$10.26*	*$12.70*	*$7.78 per adult*
Spink County	*$5.36*	*$8.53*	*$11.68*	*$7.34 per adult*
Texas, 1996				
Houston PMSA	*$5.74*	*$9.84*	*$13.85*	*$7.94 per adult*
Kerr County	*$4.96*	*$7.84*	*$9.61*	*$6.20 per adult*

Washington State, 2001				
Seattle-Bellevue-Everett PMSA, King County (East)	*$9.61*	*$17.33*	*$20.70*	*$11.76 per adult*
Chelan County	*$6.23*	*$10.86*	*$12.54*	*$7.90 per adult*
Washington, DC, Metropolitan Area, 1998				
The District of Columbia	*$7.99*	*$16.06*	*$22.69*	*$12.48 per adult*
Montgomery County, MD	*$9.20*	*$15.73*	*$21.10*	*$11.76 per adult*
Prince George's County, MD	*$7.94*	*$12.96*	*$17.14*	*$9.78 per adult*
Alexandria, VA	*$8.66*	*$15.16*	*$20.46*	*$11.47 per adult*
Arlington County, VA	*$9.19*	*$16.52*	*$22.86*	*$12.67 per adult*
Wisconsin, 2000				
Milwaukee-Waukesha PMSA, Milwaukee County	*$6.90*	*$15.36*	*$19.96*	*$11.13 per adult*
Ashland County	*$5.49*	*$10.60*	*$14.38*	*$8.40 per adult*

Table 2. Comparing the Self-Sufficiency Standard for a Single Parent with a Preschool-Age Child and a School-Age Child to Income Benchmarks

City and STATE:	Welfare and Food Stamps	Minimum Wage (minus taxes)	Federal Poverty Line	Self-Sufficiency Wage	Median Family Income	*The Self-Sufficiency Standard as a % of Median Income*
Monmouth, NEW JERSEY (1999)	$9,108	$9,856	$13,880	$40,415	$53,800	75%
as % of the Self-Sufficiency Standard	*23%*	*24%*	*34%*	*100%*	133%	
Muncie, INDIANA (1998)	$8,928	$9,578	$13,650	$24,564	$37,832	65%
as % of the Self-Sufficiency Standard	*36%*	*39%*	*56%*	*100%*	154%	
Washington, DC (1998)	$10,464	$11,804	$13,650	$47,916	$65,100	74%
as % of the Self-Sufficiency Standard	*22%*	*25%*	*28%*	*100%*	136%	
Pittsburgh, PENNSYLVANIA (1998)	$8,928	$9,578	$13,650	$26,388	$36,810	72%
as % of the Self-Sufficiency Standard	*34%*	*36%*	*52%*	*100%*	139%	
Worcester, MASSACHUSETTS (1997)	$10,272	$9,856	$13,330	$35,460	$45,900	77%
as % of the Self-Sufficiency Standard	*29%*	*28%*	*38%*	*100%*	129%	
Springfield, ILLINOIS (1996)	$8,280	$9,578	$12,980	$24,554	$47,700	51%
as % of the Self-Sufficiency Standard	*34%*	*39%*	*53%*	*100%*	194%	

Likewise, when one examines the adequacy of the minimum wage, one finds large variations among jurisdictions. Although the federal minimum wage is $5.15 per hour, several states have higher minimums, and state taxes vary somewhat from state to state. (We do not include the value of tax credits because families at the minimum wage either do not qualify for them or will not receive them at this wage level.)[20] We find that working full-time and year-round at the minimum wage provides only about 25 percent to about 40 percent of the Self-Sufficiency Standard. Thus, even two adults working at minimum wage would in most states be below Self-Sufficiency (this does not take into account the additional expenses of a second adult not included in the Standard used here).

Similarly the federal poverty line for a family of three (which is the same for every jurisdiction, varying only by the year for which the Standard was calculated) ranges from about one-third to about one-half of the respective Self-Sufficiency Standard. While adding the costs of employment, including child care, transportation, and taxes, would raise the poverty level closer to what a family really needs, the poverty level would still be substantially below the Self-Sufficiency Standard. Moreover, the variation across geographical jurisdictions reinforces the federal poverty standard's not taking into account the wide range in the cost of living. These comparisons again highlight the inappropriateness of using a standard such as the federal poverty measure to assess income adequacy for families with employed adults for, unlike the Self-Sufficiency Standard, the poverty measure does not incorporate geographical differences or include costs associated with employment.

In table 2 the Self-Sufficiency Standard is compared with the local median family income. In this case, we have calculated the Self-Sufficiency Standard as a percent of the area median income (for a family of three). As can be seen in table 2, the Self-Sufficiency Standard ranges from 51 percent of the area median income for a family of three (Springfield, Illinois) to 77 percent (Worcester, Massachusetts). The U.S. Department of Housing and Urban Development (HUD) uses area median income as a standard to assess families' needs for housing assistance. Those with incomes below 50 percent of the median area income are considered "very low income," while those whose incomes are below 80 percent of the median are considered "low income."[21] Thus the Self-Sufficiency Standard in all of these states falls within the HUD definition of "low income" but not "very low income."

Figures 2 and 3 demonstrate how work supports interact with wages to lower the amount families need to earn in the short-term, while they gain experience and skills to move to higher-paying jobs. Figure 2 shows the affect of subsidized child care on earnings needs for a single-parent with one infant and preschool-age child in seven different locales. Although child care subsidy policies vary from state to state, in each case, the receipt of a child care subsidy dramatically lowers the wage that a family would need to earn.

Figure 2. Impact of Subsidized Child Care on Earnings for a Single-Parent with One Infant and Preschool-Age Child, Selected Locales

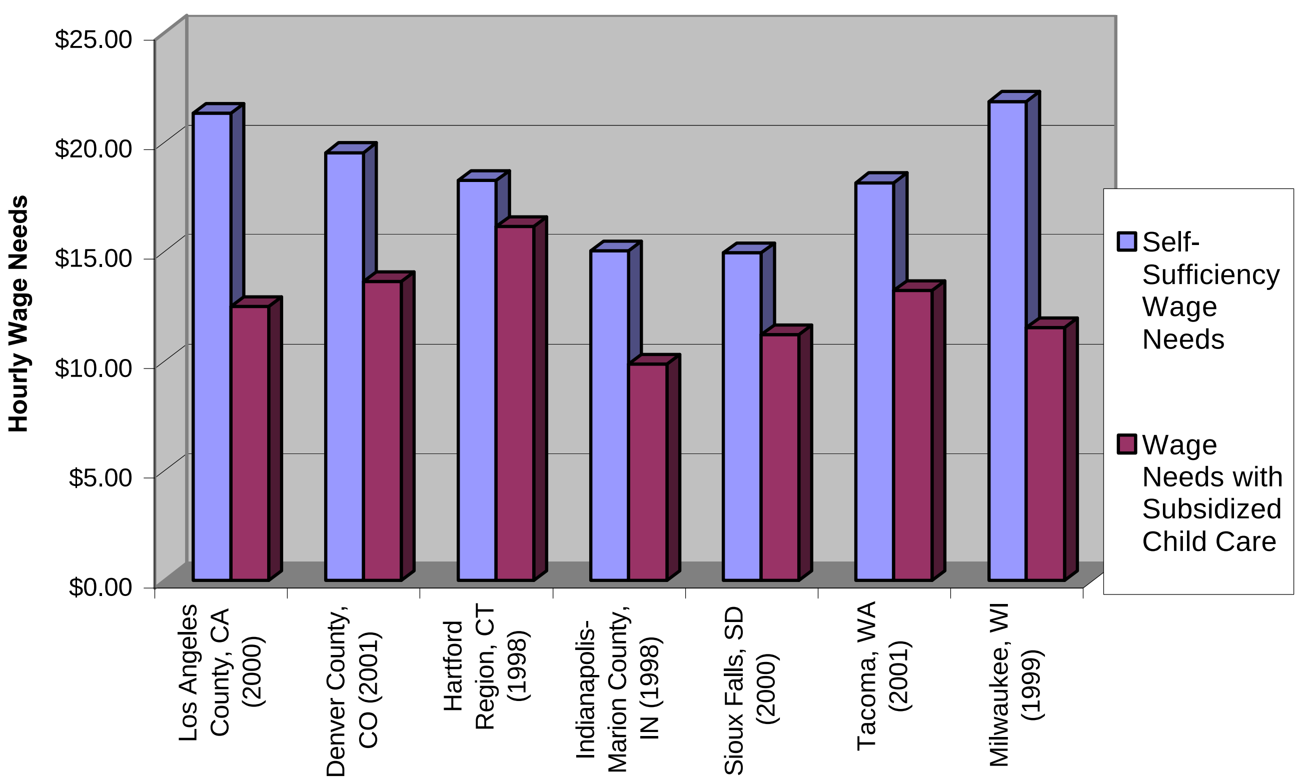
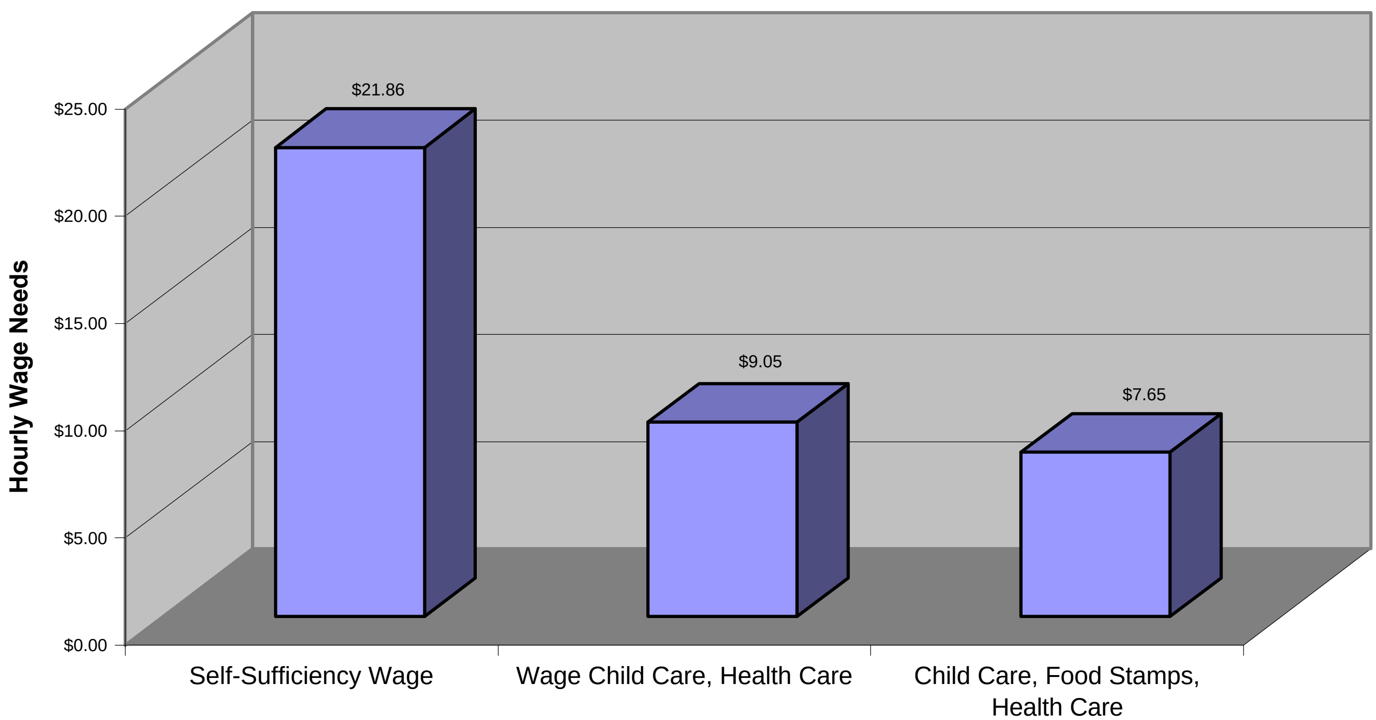


Figure 3 shows the effect of combining several work supports—child care and health care, then child care, health care and food stamps—on the wage needs of a single-parent with one infant and preschool-age child in Milwaukee, Wisconsin. Without any work supports, this family needs to earn $21.86 per hour. However, if the family received a child care and health care subsidy, the wage needed to cover basic costs would be reduced to $9.05 per hour. If this family also received food stamps, the wage needed would be further reduced to $7.65 per hour.

Figure 3. Impact of Work Supports on Hourly Wage Needs for a Single-Parent with One Infant and Preschool-Age Child, Milwaukee, WI, 1999



Endnotes:

[1] Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants, Prepared by Gregory Acs and Pamela Loprest, The Urban Institute, Washington, DC 20037, January 4, 2001, http://aspe.hhs.gov/hsp/leavers99/synthesis01/.

[2] *Ibid.*

[3] According to Acs and Loprest, although "slightly over half of all leavers work in any given post-exit quarter, it is not uncommon for leavers to cycle in and out of jobs; consequently, the share of leavers who ever worked over the year after exit is considerably higher and the share who worked in all four quarters is considerably lower." [3] Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants, Prepared by Gregory Acs and Pamela Loprest, The Urban Institute, Washington, DC 20037, January 4, 2001, http://aspe.hhs.gov/hsp/leavers99/synthesis01/.

[4] Arloc Sherman, et al., *Welfare to What? Early Findings on Family Hardship and Well-Being*, (Washington, D.C.: Children's defense Fund and National Coalition for the Homeless, December 1998). According to the report, one in three children in families who recently lost TANF assistance (36%) were "eating less or skipping meals due to cost" according to a 1997 survey of 70 agencies (p. 20). Out of 27,700 clients surveyed at food banks and soup kitchens nationwide, one in eight had recently come off of public assistance—families and individuals. Second Harvests' survey represents more than 21 million individuals nationwide who use their food assistance program. If these numbers are representative, then more than 2.5 people turn to emergency food programs and food banks after losing public assistance (p. 20). An Atlanta survey found that nearly one-half (46%) of the 161 homeless families with children interviewed in shelters or other homeless facilities had lost TANF benefits in the past 12 months. In a survey of 777 homeless families in 10 cities nationwide in 1997 and 1998, one in 10 indicated their homelessness was due to loss of TANF benefits (p. 20).

[5] Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants, Prepared by Gregory Acs and Pamela Loprest, The Urban Institute, Washington, DC 20037, January 4, 2001, http://aspe.hhs.gov/hsp/leavers99/synthesis01/.

[6] 2001 HHS Poverty Guidelines for a family of three in the 48 contiguous states and D.C., http://aspe.hhs.gov/poverty/01poverty.htm.

[7] U.S. Department of the Census, 2000, as cited in Enoch Buck, Ph.D., "The Impact of Postsecondary Education on Poverty, Employment and Labor Force participation Among Single Female Heads of Household with Children," (San Diego, CA : San Diego State University, 2001).

[8] U.S. Department of Census, Current Population Study, 1992-2000, as cited in Enoch Buck, Ph.D., "The Impact of Postsecondary Education on Poverty, Employment and Labor Force participation Among Single Female Heads of Household with Children," (San Diego, CA : San Diego State University, 2001).

[9] Cited by LIFETIME, Low-Income Families' Empowerment through Education, (Berkeley CA, LIFETIME, 2001).

[10] Stephen Freedman et al., *Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs*, (Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Education, Washington, DC, 2000.

[11] Julie Strawn, *Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform*, Center for Law and Social Policy, 1998).

[12] Wider Opportunities for Women, *Six Strategies for Self-Sufficiency* (Washington, D.C.: Wider Opportunities for Women, 1996). For examples of model Functional Context Education Programs see Center for Employment Training program in San Juan, California.

[13] Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to Help Low-income Parents Sustain Employment and Advance in the Workforce*, (New York: Manpower Demonstration Research Corporation, 2000), p.19.

[14] This approach is called a "sectoral employment intervention." For more information, see Wider Opportunities for Women, *Six Strategies for Self-Sufficiency* (Washington, D.C.: Wider Opportunities for Women, 1996); or the National Network of Sector Practitioners at http://www.nedlc.org/nnsp/.

[15] See Wider Opportunities for Women's http://www.work4women.org/ for more information about nontraditional employment for women.

[16] U.S. Department of Health and Human Services, Administration for Children and Families, FY 1996 and FY 1997 participation data.

[17] See, for example, Peggy Kahn and Valerie Polakow, *Struggling to Stay in School: Obstacles to Post-Secondary Education Under the Welfare-to-Work Regime in Michigan* (Flint, MI: University of Michigan, Center for the Education of Women, 2000); Robert E. Pierre, "Trading Textbooks for Jobs," *Washington Post*, December 29, 1997.

[18] Eleanor Lyon, "Welfare, Poverty and Abused Women: New Research and Its Implications," National Resource Center on Domestic Violence, October, 2000.

[19] *ibid*.

[20] At the minimum wage (federal or state), a single parent with two children would not pay any federal taxes. Since the both the child tax credit and the child care tax credit are credits against the federal tax, the single parent would not receive either of those. The single parent would, however, qualify for an earned income tax credit, at or near the maximum of $3,756 in 1999. However, very few receive this credit on a monthly basis, and if they do, they are limited by law to only a portion, about $116 per month in 1999. Because they are unlikely to receive it in the year in which they earn it, or at best only a partial payment, we do not include it here. *See also* Michael A. O'Connor, *The Earned Income Tax Credit: Eligible Families at Risk of Losing Benefits*, 33 Clearinghouse Rev. 433 (Nov.–Dec. 1999).

[21] Almost all assistance is limited to those of very low income, and even then only about one-fourth of eligible families receive housing assistance.